



**Office of the United States Attorney
District of Arizona**

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FINANCIAL AID DIRECTOR CHARGED WITH STUDENT LOAN FRAUD

PHOENIX -- A federal grand jury here returned a ten-count indictment on Wednesday, August 31, 2005 against Magda Jules, 42, of Phoenix. The indictment alleges that Jules used her position as Director of Financial Aid for Long Technical College in Phoenix to access student loan accounts. With that access, she was able to increase the amount of the student loans so that loan proceeds checks were sent to students at Long. According to the indictment, Jules intercepted the loan proceeds checks, forged the student's name, made the checks payable to herself, and then negotiated the checks, converting the proceeds. The indictment alleges that the loans of 30 different students were involved and that Jules received approximately \$40,000 of federally insured funds as a result of the scheme.

A summons was issued for Jules. She is scheduled to appear in federal court on September 6, 2005. The federal indictment charges Jules with violating Title 18, U.S. Code, Section 1341, Mail Fraud and Title 20, U.S. Code Section 1097(a), Student Aid Fraud.

A conviction for Mail Fraud carries a maximum penalty of five years in prison, a \$250,000 fine or both. A conviction for Student Aid Fraud carries a maximum penalty of five years in prison, a \$20,000 fine or both. In determining an actual sentence, the assigned judge will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by the Office of the Inspector General - U.S. Department of Education and the U.S. Postal Inspection Service. The prosecution is being handled by Daniel R. Drake, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-05-00894
RELEASE NUMBER: 2005-155

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